



FIONA MA, CPA

Chairwoman, California State Board of Equalization
District 2

Message from Chairwoman Ma:

September 5th is right around the corner and we will soon be celebrating Labor Day, the unofficial end of summer. Labor Day pays tribute to the workers who fought to achieve many of the laws that improve working conditions throughout America. I'm proud of the excellent customer service that Board of Equalization employees give to tax and fee payers. With that in mind, I want to recognize the amazing work that my district staff do for our taxpayers in the "Thanks From A Taxpayer" article on page 7.

As Chair of the BOE's legislative committee, I am always looking for ideas for legislation to help our tax and fee payers. I'm proud to announce AB 1856, authored by Assemblymember Matt Dababneh, that helps taxpayers more easily file refund claims. This helpful bill streamlining the applications process for refunds was signed by the Governor and will become effective January 1, 2017.

Finally, I want to welcome all the students back to school! Over 4 million Californians have student loans and the Public Service Loan Forgiveness program is a federal program that forgives student loan debt for nonprofit employees after 120 qualifying payments. Read the CalNonprofits article on page 9 to see if you are eligible.

As always, if I can be of service, please feel free to call me and members of my team at (415) 557-3000 or email me at fiona.ma@boe.ca.gov. We look forward to hearing from you.

In Peace and Friendship,

Fiona Ma, CPA

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Governor Signs Bill for Tax Refund Claim Process



A bill sponsored by the Board of Equalization (BOE) to streamline and simplify refunds on tax liabilities was signed by the Governor and will become effective January 1, 2017. AB 1856, authored by Assemblymember Matt Dababneh, helps taxpayers participating in installment payment plans by enabling them to file only one claim, rather than separate claims for each payment.

"Running a business is challenging enough without having to keep track of multiple layers of paperwork," said BOE and Legislative Committee Chairwoman Fiona Ma. "It is my goal and that of all our members to simplify and streamline our taxpayers' dealings with government agencies so they can spend more time on achieving success in their business ventures."

In several cases, BOE taxpayers have been barred by the statute of limitations from recovering all of the installment payments they made to the BOE, even though their tax debt was cancelled or reduced to an amount less than the total payments received—because they did not file claims that covered each of the payments under the payment plan. The new law will allow taxpayers making installment payments to file a single timely claim for refund that will cover all subsequent payments made on that liability.

TAX TIP: DON'T IGNORE USE TAX

Use Tax is one of the most common areas in which miscalculated and unpaid tax is found in sales and use tax audits. Use Tax applies when you make a purchase of physical merchandise for use in California without paying either Sales or Use Tax on that purchase. This may occur if you purchase an item from a business located outside of California. For example, if you purchase a piece of machinery for use in your business from an out-of-state vendor and the vendor does not collect the tax at the time of sale, you must report and pay Use Tax based on the purchase price of the machinery. You also owe Use Tax if you withdraw items from your resale inventory, which were purchased ex-tax (i.e. without the payment of sales or use tax) using a resale certificate, for your own use or to give away as a donation or gift. Watch the BOE's useful video on Use Tax to learn what California businesses should know about use tax at <https://youtu.be/YoKdwniAWmE>.

Individuals are also required to report Use Tax on items purchased for use in California without paying California tax to the seller. For example, if you purchase books online from a retailer that did not charge you California tax, you owe Use Tax based on the price of the books.

If you are a business owner and hold a California seller's permit or have a use tax account, you must report Use Tax directly to the Board of Equalization on your sales and Use Tax return. If your business is not required to hold a sales or Use Tax permit, or if you are an individual, you may generally report Use Tax on your California state Income Tax Return or you may report the tax online directly to the Board of Equalization by visiting <https://efile.boe.ca.gov/ereg/index.boe>.

For more information regarding Use Tax, please visit <http://www.boe.ca.gov/sutax/usetax.htm#Overview>.

Fuel Fun Facts: Stop Being a Drag

Did you know that once you get to about 30 mph (48 km/h) a car uses more energy to overcome wind resistance than it does fighting rolling resistance. Having your sun roof or windows open while you drive may be a great way to get some fresh air but it increases resistance and makes your drive less fuel efficient. Having cargo such as a bike rack or roof box can reduce fuel economy by 2%-8% in city driving, 6%-17% on the highway, and 10%-25% at Interstate speeds (65 mph to 75 mph). If you don't need the external cargo container, remove it to save some gas and money

Learn more fuel economy tips at www.fueleconomy.gov and save some gas money this Summer!

Did You Know? You Can Appeal Your Property Tax Bill



California taxpayers who disagree with local assessors' valuation of their property can contact his/her local assessor's office to discuss the assessment or file an appeal of their property tax bills with the Assessment Appeal Board or County Board of Equalization.

The window to file an appeal varies by county with a deadline of Sept. 15 or Nov. 30. That process is only available to taxpayers who are challenging the assessed value of their property as of Jan. 1. Different appeal periods apply to taxpayers who are appealing an assessment after a property was purchased, underwent new construction, or was damaged in a natural disaster or other calamity.

Many California taxpayers know that property tax increases are limited by law, but tax bills can vary greatly under certain circumstances.

Proposition 13 (1978) limits annual property tax increases to 2 percent. However, many homeowners sought temporary reductions of their tax bills – a process allowed by Proposition 8 (1978) – when housing values plummeted during the housing crash. The values of many properties in California were temporarily reduced by percentages much larger than 2 percent. The 2 percent limitation under Proposition 13 does not apply to values under Proposition 8. Now that property values are recovering, property taxes may be increased to reflect a new current market value or to restore the prior Proposition 13 value (including the 2 percent increases), whichever is lower. While increases after a Proposition 8 reduction may exceed 2 percent, a property's assessed value may never go higher than its value under Proposition 13, even when the current market value increases beyond the Proposition 13 value.

If you wish to appeal the assessed value of your property, you can do so by filing an Application for Changed Assessment, form BOE-305-AH, with the county clerk. Contact information for all 58 county assessors can be found on the BOE's website at www.boe.ca.gov/proptaxes/assessors.htm.

If you need help, the BOE has a series of videos explaining the process of appealing a property tax assessment available on the BOE's website at www.boe.ca.gov/info/AssessmentVideo/AppealAssessmentIndex.html.

DEAR KATHRYN.....

I recently started selling some of my products on consignment in a retail store. Will I owe sales tax when the consigned items are sold by the retailer, or is the retailer responsible for collecting and reporting the tax?

- JANELLE

DEAR JANELLE:

Generally, if the following two conditions are met, the seller (the retail store) of the consigned item is responsible for collecting and paying the sales tax:

- The seller has possession or control of the item being sold, and
- The seller can transfer ownership or use of the item to the purchaser without further action on the part of the owner.

Although the retail store is generally responsible for collecting and paying the tax, you as the consignor, must still hold a valid seller's permit. When you file your Sales and Use Tax Return, you must include your receipts from consignment sales in "total sales" for the period in which the sale is made. You then need to deduct those consignment receipts from your total sales. You may list this deduction on the return line for:

- "Sales for resale," if the retailer issued you a resale certificate, or
- "Other" deductions, if the retailer has not issued you a Resale Certificate (NOTE: If you take the deduction on the "other" line, be sure to state that the deduction is for "consignment sales.")

For more information, please refer to Publication 114, Consignment Sales, which is available on the BOE's website at <https://www.boe.ca.gov/formspubs/pub114/>.

- KATHRYN

Do you have general sales and use tax questions? If you have a question, please send it to Fiona.Ma@boe.ca.gov with the subject title "Dear Kathryn."

Sales and Use Tax Rate Changes Effective October 1!

Did you know that the Sales and Use Tax Rate can change depending on voter approval of tax rates in local areas? When they do, the BOE notifies area businesses and posts the updated rate on our website. You can find the latest tax rates on our website at www.boe.ca.gov under popular topics or you can look up a specific address by clicking the light blue "Find a Sales Tax Rate by Address" button. (PLEASE NOTE: The new rates will not be available on this website until October 1, 2016).

Sales and Use Tax on Leases of Personal Property

When you hear the word "lease", most people associate it with a car; however, a lease involve more than just cars. The term lease, is generally a contract in which a person receives temporary possession and control of tangible personal property for consideration. These taxable items can range from toys, furniture, and tools to vehicles, aircrafts, and vessels. Generally, whether a lease is taxable and what the measure of tax is depends on a number of factors. In the event you have questions or require assistance, please contact your local Board of Equalization office. You can find more information on www.boe.ca.gov.

For more information, please see Publication 46 Leasing Tangible Personal Property:
<https://www.boe.ca.gov/pdf/pub46.pdf>.

Free Resources to Help Your Business

We are here to help! Did you know the BOE offers a number of free resources to make doing business with us simple and convenient? Many of those resources are free and assist you to navigate California's complex tax laws. You can find a lot of useful information online at www.boe.ca.gov – including online services to enable you to register, file, make a payment, require relief from penalties and interest, and request a payment plan. On the BOE website, you can also find the sales tax rate in a specific area, download a publication, verify a permit or license, access an industry guide for your business that compiles helpful information into one easy-to-use location, or watch our educational online seminars on a variety of topics such as keeping records, and understanding your resale certificate.

If you'd like the personal touch, BOE has an informative Customer Service Center where you can call 1-800-400-7115 and receive live personal assistance with your general tax questions weekdays from 8am-5pm (Pacific time), except state holiday or you can send them an email with general tax questions. Another option is to visit a field office near you where you can receive payment assistance, make an appointment for a free taxpayer educational consultation, and participate in free classes and clinics to help you understand your tax obligations. Field office listing can be found online at www.boe.ca.gov/info/contact. You can also attend one of our free seminars (found at www.boe.ca.gov/ma/events) or connect with us on social media (Facebook, Twitter, LinkedIn).

If you need assistance in another language, BOE offers publications and information available in many different languages so check out our language sites www.boe.ca.gov/languages/menu.htm. As always, my office is here to help you. Subscribe to my newsletter (www.boe.ca.gov/ma/newsletters/), visit my webpage www.boe.ca.gov/ma for the latest information in the district, or attend one of the free events in your area. You can email me at Fiona.Ma@boe.ca.gov or call my San Francisco (1-415-557-3000) or Sacramento Offices (1-916-445-4081) and my staff will be happy to assist you. Find out more about BOE's free resources by watching our video www.youtube.com/watch?v=0obUxVuIwd4 or reading publication 51, Resource Guide to Free Tax Products and Services for Small Businesses (<http://www.boe.ca.gov/pdf/pub51.pdf>).

STATE TAX HELP AVAILABLE





Sometimes, the unexpected can happen. When it does, the BOE is here to help.

www.boe.ca.gov

Customer Service Center:
1-800-400-7115

FIELD OFFICES

Oakland: 1-510-622-4100
 Salinas: 1-831-754-4500
 San Francisco: 1-415-356-6600
 San Jose: 1-408-277-1231
 Fairfield: 1-707-427-4800
 Santa Rosa: 1-707-576-2100

DISASTER RELIEF TAX GUIDE

Publication 432.2 (1-16)

When Something Unexpected Happens, BOE is Here to Help

With the wildfires burning in the District, the Chairwoman is deeply concerned that people affected understand there is tax relief assistance available. Our new Publication, Disaster Relief Tax Guide provides you information to help your business in the event of a disaster. In the brochure, you will find information on the types of assistance available, phone numbers and websites where you can get more information and help on how to apply for tax relief.

Find the Publication on my website at www.boe.ca.gov/ma/disaster

EXTRA! EXTRA! READ ALL ABOUT IT!

Celebrating Multicultural Diversity at California's Tax Agency

California is one of the most diverse places in the world, with great diversity in every city and county. Our office was pleased to participate in the Franchise Tax Board's (FTB) multicultural diversity fair where people from different backgrounds were able to showcase their culture. Living amongst so many people from all walks of life enriches us and makes us better public servants. It makes us more compassionate, more understanding, and more accessible to the men and women we are proud to serve. It was amazing watching the talented and diverse staff at the FTB share their history and background with each other and to have fun doing it!



Useful Tips: Important Things to Consider When Buying a POS

Whether you are a restaurant or a grocery store, having a Point of Sales (POS) System is one of the most important steps in creating a successful business. The right system can save you time by reducing paperwork and let you focus. Here are a few important factors to consider when buying your POS:

1. **Price:** This is usually the easier factor to compare when purchasing a POS but make sure you compare the functionality and whether or not the POS is best for your type of business. If your business requires unique customization, make sure you communicate that to your POS vendor before purchasing. Sometimes the cheapest option is not always the best.
2. **Quality:** Carefully examine the company and product before you purchase it and read online reviews from peers, if available, to get an overview of the quality of the POS. For example, the cash drawers of cheaper brands can often be opened without a key, or by applying a little force. And just in case something does go wrong; make sure you are prepared and covered by at least a basic warranty.
3. **Accessories:** Depending on your specific needs, you may require your POS to have a receipt printer, scanner, scale, display terminal and so on. Do thorough research on the accessories available and make sure you purchase a POS with the add-ons that your business will need.
4. **Record Keeping:** Whatever POS you end up using, make sure it keeps detailed records of your sales and has a system to independently back up your records at another location. . Most support numerous tax rates which is very useful for business owners. Watch our helpful videos at https://youtu.be/UGg7g_bUO9M and <https://youtu.be/jOaNDRrikac>

Disclaimer: The information in this newsletter is based on personal experiences, research, and information obtained through others and does not accept any liability for loss, damage, injury or expense arising from the use of or reliance upon, in any manner. Please conduct proper and thorough research before making a purchase and do not solely rely on information from this source.

IRS Warns of Back-to-School Scams

The Internal Revenue Service (IRS) warned taxpayers against telephone scammers targeting students and parents during the back-to-school season and demanding payments for non-existent taxes, such as the "Federal Student Tax."

People should be on the look out for IRS impersonators calling students and demanding that they wire money immediately to pay a fake "federal student tax." If the person does not comply, the scammer becomes aggressive and threatens to report the student to the police to be arrested. As schools around the nation prepare to reconvene, it is important for taxpayers to be particularly aware of this scheme going after students and parents. The IRS encourages college and school communities to share this information so that students, parents, and their families are aware of these scams.

Scammers are constantly identifying new tactics to carry out their crimes in new and unsuspecting ways. This year, the IRS has seen scammers use a variety of schemes to fool taxpayers into paying money or giving up personal information.

Please visit <https://www.irs.gov/uac/irs-warns-of-back-to-school-scams>. If you get a suspicious phone call from someone claiming to be from the IRS and asking for money, contact TIGTA to report the call. Use their "IRS Impersonation Scam Reporting" web page or call 800-366-4484.

Thanks From A Taxpayer

Our BOE staff work really hard to make sure our taxpayers are happy so we want to hear from you! Have you visited our office or called us lately? Watch the video (<https://youtu.be/jPjt6FhAB2E>) to see the ways you can let us know "How Are We Doing"?



Hi BOE,

I just wanted to tell you that I had to go to the Oakland board last week to file some tax forms, and what a positive experience it was. You have an outstanding staff member who has always been exceptionally helpful and kind.

Rather than just acting like you're bothering her, as some other officials do, she is always pleasant, cheerful, and helpful. Out of gratitude for her pleasant and helpful nature, I tried to invite her to lunch, but she is so scrupulous about following the rules, that she said she was unable to do that. She even led me to the Franchise Tax Board down the hall, where I had other business, and the woman there was helpful as well.

It was so refreshing to discover two branches of state government where the object really seemed to be "in service to its customers" rather than the usual bureaucratic brush off. Someone is doing a good job of management!

Sincerely,

Refreshed Taxpayer



California Teleconnect Fund (CTF)

The CTF program provides a 50% discount on select communications services to schools, libraries, hospitals and other non-profit organizations.

The program was established by Decision 96-10-066 on October 25, 1996. In this decision, the California Public Utilities Commission reaffirmed its commitment to universal service, and created the CTF program in accordance with state and federal directives. The program is funded through a surcharge on all customers that purchase intrastate telecommunications services. For more information, visit the California Public Utilities Commission website at www.cpuc.ca.gov.

Congratulating Michael Evans of the Oakland District Office

Please join us in congratulating Michael Evans of the Oakland District Office on his promotion to Business Taxes Administrator II, District Principal Compliance Supervisor.

Michael is a graduate of the University of San Francisco (USF) where he earned a Bachelor of Science Degree in Economics. Michael began his professional career with the BOE's Oakland District Office as a Business Taxes Representative in 1988, and was subsequently promoted to be a Business Taxes Compliance Specialist. In 1998, Michael accepted a promotion to become a Business Taxes Compliance Supervisor II in the San Francisco District Office. In 2006, Michael left the BOE for an opportunity to work at the California Public Utilities Commission. While with the CPUC, Michael was promoted to the position of Public Utilities Regulatory Analyst IV. In 2011, Michael returned to the BOE joining the Investigations Division as a BTA I, where he worked as a Supervising Investigator until late 2013. He subsequently became the Business Tax Administrator III for the Statewide Compliance Outreach Program (SCOP), and worked within that program until late 2014, when he transitioned to the Oakland District's supervisorial team.



Under Michael's leadership, the Oakland District's Compliance and SCOP staff will be well prepared to carry out its responsibilities with professionalism and pride while observing the tenets of the Ma Squad Core Principles.

Nonprofit: CalNonprofits Student Loan Forgiveness



Happy Birthday D2 Employees

Sept 04	Melissa Fletes
Sept 07	Smitha Ayyar
Sept 08	Maurice McCrary
Sept 08	Scott Mittan
Sept 11	Ieva Bowden
Sept 12	Kathryn Asprey
Sept 18	Kathleen Ward
Sept 18	Sophia Ficarra
Sept 19	Vivien Thompson
Sept 21	Paola Pizarro
Sept 23	Elizabeth E Martinez
Sept 29	Brandie Kendrick



What is the Public Service Loan Forgiveness program?

The Public Service Loan Forgiveness program is a federal program that forgives student loan debt for nonprofit employees after 120 qualifying payments. The first applicants will be eligible for loan forgiveness in 2017. There is a great deal at stake: over four million Californians have student loans and many are employed in the nonprofit sector -- the state’s fourth largest industry, employing over one million people.

Eligibility

The Public Service Loan Forgiveness Program application has not yet been written, but the basic eligibility requirements for the program are as follows:

- 1. Your loans must be Federal Direct Student Loans.
- 2. You must be employed full time by a public service organization.
- 3. Your loans must not be in default.
- 4. You must make 120 separate monthly payments on the eligible loans after October 1, 2007.
- 5. The 120 payments must be made under an eligible Direct Loan Program repayment plan.

To learn more about eligibility follow this link:
<https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>

Forum on Student Debt & the Nonprofit Workforce:
October 7, 8:30am-1:00pm, Los Angeles

Hosted in partnership with Student Debt Crisis, this Forum will offer practical trainings and tools that can be used by nonprofit employers and employees to manage student debt. Visit www.calnonprofits.org for more information!



Celebrating a touchdown with Jerry Rice at the 49ers Museum in Levi's Stadium

MaSquad on the Road



Ventura County Fair. Visit www.cafairs.com for upcoming fairs!



With Jan Masaoka of CalNonprofits at our Oakland Nonprofit Seminar



Bay Area Council lunch with a Chinese Banking delegation hosted by Visa



SBOE hosting the Chinese Business Seminar at Yelp with small business owners



With Dr. Sam So, Director of the Stanford University's Asian Liver Center, Alan Wong and Hep B Student Ambassadors



Speaking to Deloitte's Technology Leadership

Upcoming Events:

Tehama Small Business Seminar

Wednesday, September 14th, 2016, 9:00am – 1:00 pm
Red Bluff Community Center

1500 South Jackson Street, Red Bluff, CA 96080

BOE Tips for Making Sales in California Webinar

Tuesday, September 13th, 2016

Register for the webinar to learn how to register and what kinds of BOE permits you need. Register at www.boe.ca.gov/ma/webinars/ or call 1-888-847-9652

Brentwood Small Business Seminar

Wednesday, October 19th, 2016, 9:00am – 12:30 pm
Brentwood Community Center

35 Oak Street, Brentwood, CA 94513

San Mateo Veterans Small Business Seminar

Wednesday, November 2nd, 2016, 9:00am – 1:00pm
David J. Chetcutti Community Room (next to
Millbrae Public Library)

450 Poplar Avenue, Millbrae CA, 94030

Register at: www.boe.ca.gov/ma/events or call
1-888-847-9652

*** Walk-ins are welcome. Registration is not mandatory to attend unless specifically noted. Events may be televised by a non-government agency

Newsletter Subscription

If you are interested in receiving a digital copy of my monthly newsletter straight to your inbox, please subscribe at this link:

<https://www.boe.ca.gov/ma/newsletters/>

Thank You for Your Support

If you have a tax or fee problem, or have difficulty understanding the complex tax laws in California, my office can help provide you with assistance and resources. Email me directly at fiona.ma@boe.ca.gov or call my offices in Sacramento at (916) 445- 4081 or in San Francisco at (415) 557-3000.

In addition, if you want to view some of the Board decisions or watch us live at the monthly Board hearings, please access www.boe.ca.gov and choose the webcast option under Board Hearings.

Representing the interests of taxpayers in a district of more than nine million Californians in 23 counties, I will ensure that the agency treats all taxpayers with respect and dignity. As your SBOE representative, I will continue to ensure that taxpayers are being heard in Sacramento. It is truly an honor to serve you.

Connect with Chairwoman MA



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